

Public Chapter 561

HOUSE BILL NO. 347

By Representatives Rhinehart, Fitzhugh, Pinion, Phelan, Ronnie Cole, Rinks, Davidson, Davis, Huskey, Goins, Walker and Mr. Speaker Naifeh

Substituted for: Senate Bill No. 228

By Senators Cooper, Williams, Rochelle

AN ACT to amend Tennessee Code Annotated, Title 67, relative to taxation of entities.

WHEREAS, Rule No. 1320-4-5-.03 of the Department of Revenue has been in effect since 1974 and it is desirable to codify such rule to give notice to merchants of the tax treatment of invoice policies on privilege taxes; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 1, Part 1, is amended by adding the following new section to be appropriately designated:

Section _____. The rate of any tax levied on the activity of harvesting or severing from the ground row crops, timber or other plants shall be equal and uniform in every county in the State. However, any such tax levied by private act or otherwise prior to the effective date of this act shall remain valid and in effect but the rate of tax shall not be increased by private act after the effective date of this act. No such tax shall be levied by any city or county after the effective date of this act unless authorized by general law.

SECTION 2. Tennessee Code Annotated, Title 67, is amended by adding the following new section:

Section _____. The business tax is a privilege tax imposed upon persons engaged in various businesses and activities in the State. If a dealer invoices the business tax as a separate item and passes it on to his customer, then the tax shall be added to the gross receipts and be used in determining the tax base for both business tax and sales and use tax purposes.

SECTION 3. This act shall take effect on becoming law, the public welfare requiring it.